

**EXECUTIVE OFFICE OF THE PRESIDENT**  
**BUREAU OF THE BUDGET**  
**WASHINGTON 25, D. C.**

March 18, 1959

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS CONCERNED:

SUBJECT: Supplemental budget submission for foreign currency programs authorized by section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

1. Purpose. This instruction provides for supplemental budget submissions for all programs authorized by section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), other than loans and grants to the country purchasing the surplus agricultural commodities. Submissions will cover all local currency uses for the programs set forth in Attachment A, and will also be used to compile a special analysis on the foreign currency situation.

2. Agency responsibility. Executive Order No. 10560, as amended, assigns to various Government agencies programs under section 104(a) to (k), inclusive. It is expected that programs under section 104(l) to (o), inclusive, will be assigned to appropriate agencies by a future Executive order. Pending the issuance of that order and on the basis of the general policy set forth below, the agencies named in Attachment A hereof will be responsible for submitting 1960 supplemental budget estimates for the programs indicated.

3. Policies. Estimates should be prepared in accordance with the following policies:

- a. Estimates will be prepared on a country basis, within (1) existing allocations, and (2) the additional availabilities indicated in Attachment B. This table shows the 12/31/58 Treasury sale rate for each currency, and the dollar equivalents, calculated at that rate, of the amounts of currency available and estimated to become available other than for economic or military grants and loans and other than for Treasury sale, in foreign countries under currently signed sales agreements. The total to be recommended to the Congress for programs in each country may not exceed these amounts.

The table also shows "earmarks" established against some of these availabilities in the Interagency Staff Committee. In view of the reliance agencies have until now placed on the "earmark" procedure, there is a strong presumption in favor of maintaining these earmarks, unless relinquished by the agency. As has been the case in recent agreements, it is expected that the ISC will generally no longer

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"earmark" specific amounts for agency programs, but only establish the amounts for (a) Treasury sale, (b) loans and grants, and (c) the total available for other uses.

In countries marked with an asterisk, the anticipated competition for the limited supply, and the prospects for that supply increasing are such that requests should be made only for projects of highest priority.

- b. Submissions should include as specific information as possible on the projects to be financed.

No-year funds will be requested. Requests should usually include sufficient funds to permit the projects to reach a satisfactory stage of completion or to cover programs for a reasonable period. Funds needed for administrative and travel expenses directly related to projects financed should be specified in the justification.

- c. Agencies are encouraged to put forward projects which in the absence of foreign currencies would be justifiable for inclusion in their regular budget, and should specify as clearly as possible the importance or priority attributed to each project and its relation to dollar-financed activities. Projects that are extensions or substitutions of projects already included in the 1959 or 1960 dollar budgets, should be identified.

Generally, only requests directly related to the agency's mission, for which dollar funds would normally be requested, will be considered under sec. 104(k) for other scientific activities.

- d. Pursuant to section 3(b) and (c) of Executive Order 10560, as amended, agencies are requested to consult as early as possible, prior to the submission to the Bureau, with the Department of State with respect to the foreign policy aspects of their proposed budget request and to indicate the Department's views thereon. If time does not permit obtaining an indication of State Department's views prior to submittal to the Bureau of this first budget request, the Department will then advise the agency and the Bureau as to the foreign policy implications as soon as possible. The Department of State has agreed to give a quick indication of their views on proposed projects and has designated Mr. Colclough, Code 128, extension 5341, as responsible for this function.

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4. Form and timing of submissions. Submissions will be prepared in accordance with the instructions set forth in Attachments C and D. An original and six copies of the submission will be required not later than April 10, 1959.

*Maurice H. Stans*

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Director